Characteristics of Chinese Business Negotiations:  
An Example of Singaporean Chinese 

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ABSTRACT

In this study, culture, politics, economy, language, and customary practice are introduced to serve as reference for business people. In addition, if one wishes to conduct business negotiations with Singaporeans, they should pay special attention to the dress code, social etiquette, and negotiation behavior so as to prevent unsuccessful negotiation outcomes.

INTRODUCTION

Singapore, officially the Republic of Singapore is an island nation located at the southern tip of the Malay Peninsula. It is a city state of country, capital, islands and islets. It is made up of 53 islands and 7 bank reefs. It is south of the Malaysian state of Johor Strait (1.2km in width), south of Singapore Strait and north of Indonesia. It is the shipping channel in the Straits of Malacca between the Pacific Ocean and the Indian Ocean. Since it is one of the most heavily traveled shipping channels in the world, its geomorphic location is rather significant. (Department of Investment Services, Ministry of Economic Affairs, 2000)

Singapore measures 640 square kilometers in area and the total population is 2.7 million. The national language of Singapore is Malay. The official languages are English, Mandarin, Malay and Tamil. English has been promoted as the country's language of administration. Although Singapore is small in size, it is a nation comprising of 200 ethnic groups. Due to the complexity of its people, different phenomena are observed. These phenomena have profound influence on Singapore and form a unique culture. At present, Singapore is a mixture of an indigenous Malay population with a third generation Chinese majority (over 70%), as well as Malay, Indian, Pakistani, Caucasian, and intermarriages. (Statistics Department of Singapore, 2001)

Before independence, Singapore was a place surrounded by weeds, mosquitoes and flies. Today, 26 years later, it is reputed as the “Beautiful Garden City” where tourism developments are prosperous. Each year, tourists to Singapore number 4-5million. Other than the world-renowned gardens and greeneries, city environment hygiene is also outstanding. The air is fresh and city streets are neat. Roads in Singapore are litter-free and buildings look extremely tidy. It appears free from dust. Cigarette butt, garbage and wastepaper littering is strictly prohibited in streets. A $500 fine is imposed for littering. Moreover, spitting is also not observed anywhere around Singapore. According to government regulations, citizens that grow plants are entitled to house rental reductions. Therefore, everyone in Singapore loves flowers and plants them. They are planted not just on the ground but on rooftops as well. It is like an ocean of flowers. For this reason, Singapore is also known as “Garden Nation”, Garden City”, and “Park Nation. (FOB Business Forum, 2007)
LITERATURE REVIEW

Politics in Singapore

Since independence in 1965, Singapore has been considered as a new country with only 42 years of history. Under the leadership of the founding father, Lee Kuan-Yew, the economy has made major breakthroughs. Peace and order in the country are well maintained, and the plural-ethnicity groups live in harmony. The livelihood of the people are so well taken care of that Singapore managed to transform itself from an inconspicuous fishing village to one of the “East Asian Tigers” and was promoted as a newly industrialized country. However, despite the remarkable results Singapore has achieved, its political aspects and Lee’s leadership have been criticized and challenged by outside circles. (Chen, 1985) Focus has generally been placed on: (1) Dominating and dictatorship-like political leadership; (2) strict social monitor; and (3) Lee Kuan-Yew’s concept of “democracy” that differs from the west. (Gu, 1995) It is also because of these criticisms; Singapore is often viewed as an “Autocratic country” in East Asia and a “Non-liberal society.” Lee’s interpretations of democracy are also widely referred to as “Asian-style Democracy” (Lee & Lee, 1990)

Strict Social Monitor

Singapore practices “paternalistic politics” or “paternal rule.” The relationship between the country and its people is like parents’ tending to the daily needs, and personal matters of their children so that misconducts will not take place under authority. Similarly, the Singapore government also deems such control over social matters necessary, and legitimate. (Hill & Lian, 1995) By administrative means, it penetrates the sociality among the people to implement powerful control. In one way, state repressive apparatuses penetrate the society among the people, in the other state ideological apparatuses serve as supplements in circles such as journalism, culture, and education. The entire nation is under strict monitor and control to promote social order and consolidate the political powers of People’s Action party. (Ou, 2002)

Lee Kuan-Yew enforces the typical Confucianism type of politics.” Five bonds of human relationships” are promoted and the importance of family is emphasized. (Sung, 1994) “Five bonds of human relationships (between sovereign and minister; parent and child, husband and wife, brother and sister, and friend and neighbor.) define the duties each bond is obliged to fulfill. The responsibilities one has for his family can be broadened as his responsibilities for the country. Lee’s leadership has often been referred to as “paternalistic” leadership. It acts like a strict father who cares for his children in every way. The government plans for its people in all aspects event private matters. In other words, the country intervenes with the life of every commoner. (Ou, 2002)

Economy in Singapore

Singapore upholds the development strategy of “Economy First before Democracy.” It is therefore somewhat less important whether there is democracy or not. This “Asian-type of Democracy” has been criticized for not being “democratic.” Singapore is also regarded as an autocratic political power. Nevertheless, Lee Kuan-Yew could not care less about these criticisms. What mattered to him was that this “Asian-type of Democracy” was able to strengthen social stability, the government was able to create environments beneficial for economic developments, and the people could fully sustain existence and livelihood. The country and the people have once created the “Singapore experience” and “Asian value” together. Under the political leadership of Lee, he made sure that the interests of the People’s Action Party
were protected and that values not given much importance in the west such as social group interest, social stability, social consensus, and prosperous economy are given great importance. (Hung, 1994)

The advantageous geographic location of Singapore has made it ideal for business development and trade. For this reason, the government has endeavored to improve investment environments, and construct attractive infrastructures such as seaports, industrial areas, monetary network, and transportation network etc. Meanwhile, restrictions on investment tare lifted in the sense that government control is reduced, and entry of overseas fund is encouraged. With the efforts of the government, by 1993, over 50 overseas transnational companies have entered Singapore. Their products take up 83.5% of the direct exports of Singapore. The export of -shore transnational companies in the manufacture sector increased from 54% in 1963 to 86% in 1983. 90% of on-shore companies in the manufacture sector are totally or partially owned by foreign companies. The economy of Singapore relies heavily on foreign investments or overseas companies. They are interdependent with international monetary, trade and investment. (Singapore United Morning News, 1993)

Basically, the development experience of Singapore falls under attributes of “High Performing Asian Miracles Economy (HPAEs)”, proposed in “East Asia Miracles Report.” In other words countries in Asia input high amounts of funds in different industries to have control over development direction. Government power extends to various important industries in the country. (Wang, 1986)

Languages in Singapore

The four official languages in Singapore are: English, Mandarin, Malay, and Tamil. These four streams of languages are derived from 20 major languages used in the 19th century as results of assimilation simplification. (Hung, 2002) Each of these 20 language groups have been spoken by thousands or tens of thousands of people and have been passed on through generations. Take Mandarin for instance, Although Beijing Mandarin is now the standard Mandarin in use, during earlier times, dialects in southern China including Fuchien dialect, Chaozhou dialect, Mingnan dialect, Cantonese, Hainan dialect, and Hakka were also used. Also, Malay originated from Dravidian language which covers: Waja, Boani, and Tamil. It is primarily divided into Tamil, Malayalam, and Telegu. In addition, the Indian language covers Punjabi, Hindustan, Gujarati, and Singhalese. The four language streams and English constitute 20 languages or dialects. Among all languages used in Singapore, Malay was ostensibly referred to as the national language of new islands, in truth; it was less widely used than the official language of the colonial government, English. (Hung, 2002)

English is honored as the king’s language because it is the main communication tool among different ethnic groups. It is also indispensable if Singapore is to assimilate overseas culture, technology and conduct trading. English eventually became the indispensable part of bilingualism. The so-called bilingualism regardless of one’s ethnic origin, he should be fluent in English in addition to his mother tongue so he can communicate with other ethnic groups.

In Singapore, English is the product of colonization. During earlier colonial periods, the colonial government deliberately setup laws so that those who knew how to listen, speak, write and read English were able to get hired in government agencies or business establishments. They either took up job posts as low rank officials, bookkeepers, secretaries, or translators. Two groups of people best represented good English speakers namely the Indians and the Straits Chinese who were fluent in English and led westernized lifestyles. They were considered “high-class Chinese”
Singaporean Chinese Businessmen

“The country of Chinese”-Singapore is comprised of Chinese from Guangdong, Fuchien, Shanghai, and Hanan. Chinese people work in a range of professional areas but they generally inherit traditional businesses their ancestors have passed on. Chinese from Guangdong engage in food and catering as well as brewery businesses, Chinese from Fuchien engage in trading businesses, and Chinese from Guangdong Chaozhou group and Hannan province are generally factory workers or chefs. Most businessmen in Singapore are overseas Chinese. They are localized, diligent, competent, hardworking, and wise. They are generally willing to conduct business talks and collaborate with China. The old generation Chinese still practices giving “face” during business conduction. It is believe to be important during decision-making. The new generation Chinese lacks such traditional values though they may have qualities and characteristics modern merchants possess. For example, during business talk, important decision-making is usually not written on paper. Once an agreement has been reached, both sides will keep their promises and fulfill their obligations the best they can. This is an example of how the overseas Chinese value business ethics such as credibility and appreciation for friendship. (Foreign trade network, 2007)

Singapore is a country of plural ethnicity and multiple religions. Therefore, respect should be given to different customary practices of ethnic groups and religious people.

Customary Practices in Singapore

In Singapore, people remove their shoes when entering a mosque. Some also practice “shoe-removing” when entering homes. Due to British influence, Singapore is westernized but many of the traditional practices are still adopted locally. There are a number of greeting ways. People usually shake hands with others or bow if they are Asian. (FOB Business Forum, 2007)

Since residents in Singapore are generally overseas Chinese, they have great imagination for color. Red, green, and blue are popular while purple and black are considered unlucky. Black, white, and yellow are taboo colors. In business, people are opposed to the use of any form of Buddha or even the side view of Buddha. Use of religious phrases or symbolic signs is also strictly prohibited. Double red, elephant, and bat patterns are generally loved. Numbers such as 4, 7, 8, 13, 37 and 69 are considered taboo numbers. (Ren, 2005)

In order to promote “manners”, the Singapore government has setup regulations on etiquette. For example, when a customer enters the store, the salesclerk welcomes the customer with a smiling face. He offers to introduce products for customer selection. He does not show dismay even if the customer constantly picks on the products. If the customer asks questions, he should pay close attention and answer them to the best of his knowledge. When the customer leaves the store, he should fair well the customer with enthusiasm. Neighbors greet each other and invite each other to their house in special occasions such as New Year and holidays. They should help each other look after the house. In public places, people place common interest before their own. Singaporeans always smile at people they are in contact with. For example, after using the public phone, they smile and say “sorry to have kept you waiting” to those that are in line to use the phone. Propaganda materials on civilization and etiquette in streets even have smiling faces printed on them. Slogans such as “Good manners are essential when dealing with people”, “good manners make life better”, and “Putting up sincere smiles is the way to live a life” are promoted. (Foreign trade network, 2007) At night, colorful LED lights propagandaize etiquette flash non-stop. Cabinet ministers and councilors also deliver speeches on the importance of civilization and etiquette in public whenever they get the chance. It is interesting to know that even when police officers issue tickets to fine violating drivers, they smile. Therefore, people in Singapore often humor themselves that the last
thing they want to see is a police officer that smiles because it means he will have to pay money out of his own pocket. Foreigners always “feel at home” during their stay in Singapore. (FOB Business Forum, 2007)

The Singaporean people despise men that grow long hair. They are not much fond of men that grow beard /mustache either. In some public places, sign boards are frequently put up stating that “long-haired men are not welcome.” Singapore has strict control over hippie type of men with long hair. Those with long hair, dress in cowboy attire, and wear slippers may even be prohibited from entering the country. It is particularly true for young men. They are required to dress neat and tidy and are not allowed to grow their hair below shoulder length. (FOB Business Forum, 2007)

Taboos in Singapore

In Singapore, one is not supposed to point his index finger at others, hit on a palm with clenched fist, or clench the fist and insert his thumb between the index and the middle finger. They are considered extremely rude actions. One should also not arbitrarily place his hands on the waist as it means he is angry. When taking a meal, chopsticks should not be placed on the bowl or plate with food on it. The chopsticks should not be crossed when not in use. Instead, they should be placed on chop sticks holder, soy sauce dish or plate for bones. During New Year period, refrain from sweeping and hair washing as good luck will be swept or washed away if they do so. Items in the house ought not to be broken especially mirrors. The Singaporean people view black as unfortunate and ominous color. Purple is not much liked either. Red is a preferred color. Islamic Muslims do not eat pork and pork processed foods. Moreover, they do not drink alcoholic beverages. Believers of Hinduism regard the bull as scared creatures. For this cause, they do not eat beef but drink milk. (Ren, 2005)

HOW TO CONDUCT BUSINESS NEGOTIATIONS WITH SINGAPOREANS

Negotiation Essentials

A business trip to Singapore is best taken between March and November. It is not advisable to take a business trip around Christmas and Lunar Chinese New Year. The rainy season begins from October to January the following year. (Foreign trade network, 2007) During which period, water is not completely safe to drink. Singapore is a civilized country, thus, observing the etiquette has become part of people’s actions. During business negotiation conduction in Singapore, do not sit with legs folded, otherwise, the chance to close the deal is also likely to be missed. If by accident one of your legs shakes so hard that the sole of your shoe points at the party, it may just be the end of the negotiation. Even if the shoe touches the other person by accident, it will be considered highly intolerable. (Ren, 2005)

Singapore is mainly comprised of Chinese and Malay. Chinese people are in control of the economy and have access to political resources Singaporean Chinese place great importance on efficiency. Business dealings are often conducted at a fast pace. They are inclined to dominate the pace of negotiations. They may even speed up the process to acquire dominance. It is important that this aspect of negotiation be taken into consideration. Merchants in Singapore also act fast when conducting business or when dealing with their opponents. They are not ungrateful to somebody for favors bestowed but they are also not lenient to their enemies. Singaporeans are self-concerned, like to chaffer with other tradesmen about prices, and lack patience. In Singapore, merchants are often overly concerned with “losing.” They fear that others may beat them to the draw or they may lose their advantage. Some local Chinese merchants even have the “fear for being defeated by university graduates” sticker pasted on their car bumpers. (FOB Business Forum, 2007)
The Singaporean people have a strong sense for time no matter it is a meeting or an arrangement. Being late leaves a negative impression. If you are going to be late for some reason, you must first inform the party concerned as a sign of respect. During a business activity, wear a white shirt, pants, and a tie. When visiting a government office, dress in a suit, and wear a coat. Since Singapore is comprised largely of overseas Chinese or people of Chinese decent, they love tea drinking. During Lunar Chinese New Year, a kettle of tea served with olive is called “Wubaocha” which implies “May you be happy and prosperous.” Be careful with your words and actions when attending parties so that people will look at you as a mature and reliable individual. The overseas Chinese are highly “localized” people. Their parents and relatives may be in China so they are often willing to do business there. After contract signing, they keep their promise and fulfill the contract. Foreign merchants have always viewed Singaporean merchants as diligent, honest, humble, and reliable people. Since “the face” is highly valued, Awkwardness and arguments in public place are often detrimental to potential dealing opportunities. Therefore, when negotiating with Singaporeans, one should open his heart and be straightforward in getting his ideas across. Most importantly, always take “the face” into consideration. Try say things like “please give me your valuable advice” or “your help is appreciated” when conducting dealings with overseas Chinese. They may achieve unexpected outcomes. When dealing with merchants that speak the Chaozhou dialect, say “you are my people, you are too kind.” It will definitely give people a sense of warmness. Use of other dialects such as Cantonese and Din will also help in conducting successful negotiations. (Foreign trade network, 2007)

Under British influence for a long time, Singapore has become westernized. People hands and exchange name cards in the business circle so that both sides will likely to remember each other. Business cards should be bilingual because many people in Singapore know English. Name cards are convenient for Chinese people. According to government regulations, government officials do not use name cards. (Ren, 2005)

Singapore is ideal for women that engage in business dealings. Women in Singapore have generally received higher education. They take up professional job posts or business related jobs. (FOB Business Forum, 2007) In addition, Singaporean merchants are cautious when conducting dealings. They do not like to reach an agreement in writing without planning but once they do, they will not break agreement. If one side breaks the contract, the other side will detest and keep away from the violating party. So, clients are advised to refrain from making a promise if they can not fulfill it. The Singaporean is known for his business spirit and diligence. Negotiations are conducted at a fast pace and money related matters can be mentioned directly in a straightforward manner. Price is directly related to delivery date. A company ought to stress its capability to deliver goods promptly and achieve customer requirements. Price, therefore, should not be set too low. Negotiators in Singapore will often remind you of the competitiveness factor and force you to make a compromise. They advance gradually, a little compromise at first, and make a greater concession as the negotiation progresses. (Ren, 2005) The new generation Chinese people raised in Singapore have adopted many of the western business conduction methods. They focus on facts, specific technical details, and carefully drafted contracts. They are quite different from the way traditional Chinese people do business. Traditional Chinese people build their businesses based on “credibility” and contracts are often simple and generalized. (Foreign trade network, 2007)

Social Events

In Singapore, people are generally opposed to smoking. Smoking is strictly prohibited in elevators, public transportations, movie theaters, and government office buildings. A fine of $500 is charged to
those that violate this regulation. In terms of social talks, issues such as politics, racial frictions, religions, and spouse etc. should not be covered but experience exchange related to travel is encouraged. One is also free to talk about the things he has seen while traveling in other countries. Good conversation topics include: local cuisine, restaurant, popular tourist attractions, and business achievements of the host. Do not visit the host without first making an appointment. Singaporeans are realists where personal relationship is not much emphasized. Although social activity is part of negotiation, some can be misleading. One may develop “trust” for his opponent at a social event such as a golf game or a dinner gathering the previous day and get completely discouraged the following day when the opponent becomes scrupulous and methodical at the negotiation table. (FOB Business Forum, 2007)

The locals usually invite guests for lunch or dinner. They do not offer to treat guests they meet for the first time but once they have gotten to know them a little bit better, they will do so to talk about business. Government officials are not allowed to accept social invitations. Therefore, these gatherings are dealt with caution. When inviting a Singaporean client, knowing his taste for food is important. Singaporean people like light foods with slightly sweet taste. The staple food is rice. They also love beverages like beer, and grape wine from northeast etc. They are also fond of Cantonese food from China. When dining with Indians or Malays, do not use the left hand. No matter where you go, there is no need to bring gifts. Singaporean are not accustomed to give gifts but people appreciate receiving company souvenirs. At times, Singaporean hosts invite foreigners to their homes to eat. The hostess will appreciate it if the guest is brings e a box of chocolate or a bouquet of flowers as gift. Ren, 2005) People in Singapore believe that opening gifts in the presence of the giver is impolite. Therefore, if you are about to leave and see that the gift is still left untouched, do not be concerned. Just beware that your gift is not sent to government officers are bribes. Government employees normally accept small and symbolic gifts but do not attempt to send gifts to public servants or government employees. They are also not permitted to accept social invitations.

CONCLUSION

Singapore transformed itself from being an inconspicuous fishing village to one of the “East Asian Tigers” and was promoted as a newly industrialized country. The GDP increased from US$650 in 1960, to US$7,000 in 1985, and US$29,000 in 1997. It tops the world trailed only by the U.S.A. and Switzerland. In 1996, it was promoted as one of the “developed countries.” (Wang, 1986) Lee Kuan-Yew (2000) believed that the economic accomplishments as one of the “East Asian Tigers” are attributed to values of Confucianism. Family is given particular importance and economic policies are good. The cohesiveness a family brings and the diligent spirit of Asians combined elicit a strong desire for glory for the family. People work hard and value frugality. It is an intangible asset to the overall social development. Lee Kuan-Yew(Singapore Morning News,1993) also believe that social order is maintained by the society’s reliance on family cohesiveness and influence in Singapore. Frugality, endurance, filialness, respect for the elderly and capable people, and thirst for knowledge are virtues that promote productivity and stimulate economic growth.

Singapore both lacks abundant resources and vast territorial domain. The ethnic makeup and cultures are rather complex. These inadequacies, however, did not hinder its goals to become a development nation within a short time. The uncorrupt and highly efficient government is known to the world. Its social orderliness is also praised by people around the world. IT is particularly so when it comes to racial problems that have caused problems in Southeast Asia. All ethnic groups manage to live
in harmony. The economic accomplishments in Singapore have received praises from people around the world. Its peaceful ethnic co-existence is something other Southeast countries with greater advantageousness simply can not compare. (Lee, 2000) Uncorrupt and highly efficient government contributes to the success of Singapore. Moreover, Lee Kuan-Yew’s decisive and “designer style” leadership is a versatile yet orderly political art. National awareness of the people is something that can not be overlooked.

Singaporeans are highly capable, and are good at negotiations. They frequently map out a strategy to have the dealing situation well in hand. They have good insight of the way things are done in the east and the west. As a result, they often serve as the bridge for both sides. In this research, culture, politics, economy, language, and customary practice are introduced to serve as reference for business people. In addition, if one wishes to conduct business negotiations with Singaporeans, they should pay special attention to the dress code, social etiquette, and negotiation behavior so as to prevent unsuccessful negotiation outcomes.

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